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SENATE BILL 419

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Linda M. Lopez

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; REQUIRING EMPLOYERS TO OFFER HEALTH INSURANCE TO BE ELIGIBLE FOR INDUSTRIAL REVENUE BONDS OR IN-PLANT TRAINING FUNDS; AMENDING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 3-32-7 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-31-4, as amended) is amended to read:

"3-32-7. BONDS ISSUED TO FINANCE PROJECTS. --

A. Bonds issued by a municipality under authority of the Industrial Revenue Bond Act shall not be the general obligation of [~~such~~] the municipality within the meaning of Article 9, Sections 12 and 13 of the constitution of New Mexico. The bonds shall be payable solely out of the revenue derived from the projects [~~to finance~~] for which the bonds are issued. Bonds and interest coupons, if any, issued under

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1 authority of the Industrial Revenue Bond Act shall never
2 constitute an indebtedness of the municipality within the
3 meaning of any state constitutional provision or statutory
4 limitation and shall never constitute or give rise to a
5 pecuniary liability of the municipality or a charge against its
6 general credit or taxing powers, and such fact shall be plainly
7 stated on the face of each bond.

8 B. The bonds may be executed and delivered at any
9 time, and from time to time, may be in such form and
10 denominations, may be of such tenor, may be in registered or
11 bearer form either as to principal or interest or both, may be
12 payable in such installments and at such time or times not
13 exceeding thirty years from their date, may be payable at such
14 place or places, may bear interest at such rate or rates
15 payable at such place or places and evidenced in such manner
16 and may contain such provisions not inconsistent with the
17 Industrial Revenue Bond Act, all as shall be provided in the
18 ordinance and proceedings of the governing body [~~whereunder~~]
19 under which the bonds are authorized to be issued.

20 C. [~~Any~~] Bonds issued under the authority of the
21 Industrial Revenue Bond Act may be sold at public or private
22 sale in such manner and from time to time as may be determined
23 by the governing body to be most advantageous, and the
24 municipality may pay all expenses, [~~attorneys'~~] attorney,
25 engineering and architects' fees, premiums and commissions

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1 [whi-eh] that the governing body may deem necessary or
2 advantageous in connection with the authorization, sale and
3 issuance of the bonds.

4 D. [A++]
5 Bonds issued under the authority of the
6 Industrial Revenue Bond Act and all interest coupons applicable
7 thereto, if any, shall be construed to be negotiable.

8 E. A bond shall not be issued to finance a project
9 unless an employer of the project:

10 (1) offers to its employees and their
11 dependents health insurance coverage that is in compliance with
12 the New Mexico Insurance Code; and

13 (2) contributes not less than fifty percent of
14 the premium for the health insurance for those employees who
15 choose to enroll."

16 Section 2. Section 4-59-5 NMSA 1978 (being Laws 1975,
17 Chapter 286, Section 5, as amended) is amended to read:

18 "4-59-5. BONDS ISSUED TO FINANCE PROJECTS. --

19 A. Bonds issued by a county under authority of the
20 County Industrial Revenue Bond Act shall not be the general
21 obligation of [~~such~~] the county within the meaning of Article
22 9, Sections 10 and 13 of the constitution of New Mexico. The
23 bonds shall be payable solely out of the revenue derived from
24 the projects for which the bonds are issued. Bonds and
25 interest coupons, if any, issued under authority of the County
Industrial Revenue Bond Act shall never constitute an

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1 indebtedness of the county within the meaning of any state
2 constitutional provision or statutory limitation and shall
3 never constitute or give rise to a pecuniary liability of the
4 county or a charge against its general credit or taxing powers,
5 and such fact shall be plainly stated on the face of each bond.

6 B. [~~Such~~] The bonds may be executed and delivered
7 at any time, and from time to time, may be in such form and
8 denominations, may be of such tenor, may be in registered or
9 bearer form either as to principal or interest or both, may be
10 payable in such installments and at such time or times not
11 exceeding thirty years from their date, may be payable at such
12 place or places, may bear interest at such rate payable at such
13 place or places and evidenced in such manner and may contain
14 such provisions not inconsistent with this section, all as
15 shall be provided in the ordinance and proceedings of the
16 [~~governing body~~] commission under which the bonds shall be
17 authorized to be issued.

18 C. [~~Any~~] The bonds issued under the authority of
19 the County Industrial Revenue Bond Act may be sold at public or
20 private sale in such manner and from time to time as may be
21 determined by the commission to be most advantageous, and the
22 county may pay all expenses, [~~attorneys'~~] attorney, engineering
23 and architects' fees, premiums and commissions [~~which~~] that the
24 commission may deem necessary or advantageous in connection
25 with the authorization, sale and issuance of the bonds.

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1 D. ~~[A11]~~ The bonds issued under the authority of
2 the County Industrial Revenue Bond Act and all applicable
3 interest coupons shall be construed to be negotiable.

4 E. A bond shall not be issued to finance a project
5 unless an employer of the project:

6 (1) offers to its employees and their
7 dependents health insurance coverage that is in compliance with
8 the New Mexico Insurance Code; and

9 (2) contributes not less than fifty percent of
10 the premium for the health insurance for those employees who
11 choose to enroll."

12 Section 3. Section 21-19-7 NMSA 1978 (being Laws 1983,
13 Chapter 299, Section 1, as amended) is amended to read:

14 "21-19-7. DEVELOPMENT TRAINING. --

15 A. The economic development department shall
16 establish a development training program that provides quick-
17 response classroom and in-plant training to furnish qualified
18 manpower resources for new or expanding industries and non-
19 retail service sector businesses in New Mexico that have
20 business or production procedures that require skills unique to
21 those industries. Training shall be custom designed for, ~~[the~~
22 ~~particular company]~~ and ~~[shall be]~~ based on the special
23 requirements of, each company. The program shall be operated
24 on a statewide basis and shall be designed to assist any area
25 in becoming more competitive economically.

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1 B. There is created the "industrial training board"
2 composed of:

3 (1) the director of the economic development
4 division of the economic development department;

5 (2) the director of the vocational education
6 division of the state department of public education;

7 (3) the director of the job training division
8 of the labor department;

9 (4) the executive director of the commission
10 on higher education;

11 (5) one member from organized labor appointed
12 by the governor; and

13 (6) one public member from the business
14 community appointed by the governor.

15 C. The industrial training board shall establish
16 policies and promulgate rules [~~and regulations~~] for the
17 administration of appropriated funds and shall provide review
18 and oversight to assure that funds expended from the
19 development training fund will generate business activity and
20 give measurable growth to the economic base of New Mexico
21 within the legal limits preserving the ecological state of New
22 Mexico and its people.

23 D. Subject to the approval of the industrial
24 training board, the economic development division of the
25 economic development department shall:

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- 1 (1) administer all funds allocated or
- 2 appropriated for industrial development training purposes;
- 3 (2) provide designated training services;
- 4 (3) regulate, control and abandon any training
- 5 program established under the provisions of this section;
- 6 (4) assist companies requesting training in
- 7 the development of a training proposal to meet the companies'
- 8 manpower needs;
- 9 (5) contract for the implementation of all
- 10 training programs;
- 11 (6) provide for training by educational
- 12 institutions or by ~~[the]~~ a company through in-plant training,
- 13 at ~~[the]~~ that company's request; and
- 14 (7) evaluate training efforts on a basis of
- 15 performance standards set forth by the industrial training
- 16 board.

17 E. The vocational education division of the state
18 department of public education shall provide technical
19 assistance to the economic development department concerning
20 the development of agreements, the determination of the most
21 appropriate instructional training to ~~[provide]~~ be provided and
22 the review of training program implementation.

23 F. The state shall contract with a company or an
24 educational institution to provide training or instructional
25 services in accordance with the approved training proposal and

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1 within the following limitations:

2 (1) [~~no~~] payment shall not be made for
3 training in excess of one thousand forty hours of training per
4 trainee for the total duration of training;

5 (2) training applicants shall have resided
6 within the state for a minimum of one year immediately prior to
7 the commencement of the training program and be of legal status
8 for employment; provided, however, that prior to July 1, 2004,
9 the residency requirements may be waived in part for projects
10 within New Mexico communities located within fifty miles of the
11 state border if the project meets the following criteria:

12 (a) the project will employ more than
13 one thousand five hundred employees;

14 (b) the resident labor force within a
15 fifty-mile radius of the project location is not sufficient to
16 fill the full-time-equivalent position requirements of the
17 project as determined by the labor department;

18 (c) preference for training shall be
19 given to New Mexico residents; and

20 (d) no less than fifty percent of the
21 project's work force shall be residents of New Mexico;

22 (3) payment for institutional classroom
23 training shall be made [~~under~~] pursuant to any accepted
24 training contract for a qualified training program;

25 (4) [~~no~~] payment shall not be made [~~under~~]

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1 pursuant to any accepted training contract for rental of
2 facilities unless facilities are not available on site or at
3 the educational institution;

4 (5) all applicants shall be eligible under the
5 federal Fair Labor Standards Act of 1938, as amended, and shall
6 not have terminated a public school program within the past
7 three months except by graduation;

8 (6) trainees shall be guaranteed full-time
9 employment with the contracted company upon successful
10 completion of the training;

11 (7) persons employed to provide the
12 instructional services shall be exempt from the minimum
13 requirements established in the state plan for other state
14 vocational programs; [~~and~~]

15 (8) [~~no~~] payment shall not be made for
16 training programs or production of Indian jewelry or imitation
17 Indian jewelry unless a majority of those involved in the
18 training program or production are of Indian descent; and

19 (9) payment shall not be made for training
20 unless the company:

21 (a) offers its employees and their
22 dependents health insurance coverage that is in compliance with
23 the New Mexico Insurance Code; and

24 (b) contributes not less than fifty
25 percent of the premium for the health insurance for those

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employees who choose to enroll. "

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